
Health Care Committee

HB 1383

Brief Description: Requiring the public employees' benefits board to develop a health savings account option for employees.

Sponsors: Representatives Condotta, Bailey, Newhouse, Curtis, Hinkle, Pearson, Kretz, Strow, Armstrong, Kristiansen, Talcott, Skinner and Holmquist.

Brief Summary of Bill

- The Public Employees Benefit Board will develop a health savings account with a high-deductible health plan as an option for employees.

Hearing Date: 2/28/05

Staff: Dave Knutson (786-7146).

Background:

In 2003, as part of the Medicare Modernization Act, Congress authorized people to establish health savings accounts to work with qualifying high-deductible health coverage to help people finance medical expenses. Health savings accounts are tax-free accounts that can be set up by individuals or employers. They are personal accounts that are owned by individuals, even when employers establish and contribute to them. Interest earned is not taxed, and funds that are not used may carry over to the following year. A qualifying high-deductible health plan is one that has an annual deductible of at least \$1,000 for individual coverage and at least \$2,000 for family coverage, with out of pocket costs not to exceed \$5,000 for an individual and \$10,000 for families. Preventive care is not subject to the annual deductible. The Internal Revenue Service rules on high deductible health plans provide that services such as physicals, immunizations, screenings, prenatal care, and tobacco-cessation programs are covered without imposing any deductible. Preventive care also includes medication taken to prevent a disease or reoccurrence of a disease, such as taking cholesterol-lowering medications to prevent heart disease.

Summary of Bill:

The Public Employees Benefit Board will develop a health savings account with a high-deductible health plan as an option for employees who receive their health care coverage through the Health Care Authority.

Appropriation: None.

Fiscal Note: Requested on February 27, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.